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08/868,200	06/03/97	GARBER	H 840674

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EXAMINER

STANLEY,E

ART UNIT

PAPER NUMBER

2762

4

DATE MAILED:

02/18/98

**Please find below and/or attached an Office communication concerning this application or proceeding.**

**Commissioner of Patents and Trademarks**

# Office Action Summary

Application No.

08/868,200

Applicant(s)

GARBER, Howard B.

Examiner

Elizabeth Stanley, Esq.

Group Art Unit

2762



☐ Responsive to communication(s) filed on \_\_\_\_\_

☐ This action is **FINAL**.

☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire 3 month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

## Disposition of Claims

☒ Claim(s) 1-51 is/are pending in the application.

Of the above, claim(s) \_\_\_\_\_ is/are withdrawn from consideration.

☐ Claim(s) \_\_\_\_\_ is/are allowed.

☒ Claim(s) 1-51 is/are rejected.

☐ Claim(s) \_\_\_\_\_ is/are objected to.

☐ Claims \_\_\_\_\_ are subject to restriction or election requirement.

## Application Papers

☒ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

☒ The drawing(s) filed on Jun 3, 1997 is/are objected to by the Examiner.

☐ The proposed drawing correction, filed on \_\_\_\_\_ is ☐ approved ☐ disapproved.

☒ The specification is objected to by the Examiner.

☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. § 119

☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

☐ All ☐ Some\* ☐ None of the CERTIFIED copies of the priority documents have been  
☐ received.

☐ received in Application No. (Series Code/Serial Number) \_\_\_\_\_

☐ received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

\*Certified copies not received: \_\_\_\_\_

☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

## Attachment(s)

☒ Notice of References Cited, PTO-892

☒ Information Disclosure Statement(s), PTO-1449, Paper No(s). 3

☐ Interview Summary, PTO-413

☒ Notice of Draftsperson's Patent Drawing Review, PTO-948

☐ Notice of Informal Patent Application, PTO-152

--- SEE OFFICE ACTION ON THE FOLLOWING PAGES ---

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## DETAILED ACTION

### *Drawings*

1. The drawings are objected to because: [1] in Figure 1, the word, "computer", is missing from the diagram box identified by reference number 10; [2] in Figure 2, the word, "computer", is missing from the diagram box identified by reference numbers 33 and 35. Correction is required.
2. The drawings are objected to as failing to comply with 37 C.F.R. 1.84(p)(5), because they include the following reference signs not mentioned in the description: 28, 30. See Figure 1. Correction is required.
3. The drawings are objected to as failing to comply with 37 C.F.R. 1.84(p)(4) because reference character "42" has been used to designate both a remote terminal and a host routing routine. See Figures 3 and 4. Correction is required.

### *Specification*

4. The disclosure is objected to because of the following EXEMPLARY informalities: [1] missing reference number(s): page 8, lines 12 and 25, "Currency link ?"; page 9, lines 29 and 32, "computer" should read "computer 33"; page 12, line 21, page 13, line 21, "Workstation ?"; [2] misspelled word(s): [3] confusing sentence structure(s): page 8, lines 33-35, "call option (the right to buy the underlying) purchase or sale" should read "call option (the right to buy the underlying purchase or sale)"; page 12, lines 10-11, "subtracts from the PMM inventory of relevant currencies" should read "subtracts currencies from the PMM inventory"; [4] inconsistently

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referenced element(s): page 9, line 13, "PMM/Rolling Spot Currency Options computer 35" should read "PMM/Rolling Spot Options computer 35"; page 11, line 16, "PMM 44" should read "PMM computer 44"; [5] excessive sentence word(s): page 12, line 20, "screen one 52" should read "screen 52". Appropriate correction is required.

### *Specification*

5. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The following is a quotation of 37 C.F.R. 1.71(a)-(c):

(a) The specification must include a written description of the invention or discovery and of the manner and process of making and using the same, and is required to be in such full, clear, concise, and exact terms as to enable any person skilled in the art or science to which the invention or discovery appertains, or with which it is most nearly connected, to make and use the same.

(b) The specification must set forth the precise invention for which a patent is solicited, in such manner as to distinguish it from other inventions and from what is old. It must describe completely a specific embodiment of the process, machine, manufacture, composition of matter or improvement invented, and must explain the mode of operation or principle whenever applicable. The best mode contemplated by the inventor of carrying out his invention must be set forth.

© In the case of an improvement, the specification must particularly point out the part or parts of the process, machine, manufacture, or composition of matter to which the improvement relates, and the description should be confined to the specific improvement and to such parts as necessarily cooperate with it or as may be necessary to a complete understanding or description of it.

The specification is objected to under 37 C.F.R. 1.71, because the disclosure is insufficient with respect to claims 8-12 based on the identification of a product merely by trademark, or by the name used in the trade, only. A proper identification of the trading systems referred to only

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by a name used in trade, is omitted from the specification. Such identification is deemed necessary under the principles set forth in M.P.E.P. 608.01(v).

***Specification Objection with respect to the Claims***

6. Claims 17, 24, 34, 37-48 and 51 are objected to for the following reasons.

For example, the claim 17 phrase, "a communications link to allow ...", is also vague, because it does not affirmatively define any structure of the link.

In claim 24, what structure is being claimed by the preamble phrase, "An electronic bank and institutional market"?

In claim 34, the word, "transiting", is misspelled.

In claim 37, exactly what method step is being claimed by the "providing" language in the phrase, "... providing intermarket futures and options trading ..."? This objection applies equally to claims 38-48 and 51.

***Claim Rejections - 35 USC § 112***

7. Claims 1-23 and 28-33 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicant regards as the invention. The claims contain indefinite language and do not clearly recite the structural features being claimed.

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For example, in claim 1, the "coupled" language in the phrase, "... the electronic brokerage and trading network coupled to receive and transmit bids ...", is confusing, because it is not clear what structure the language encompasses. Is Applicant claiming that the elements of the network (i.e. the computer, display terminal and input) are all connected together to receive/transmit bids? Or is Applicant seeking to claim another (unstated) structural element, which is connected to the network to receive/transmit bids? See also claim 33.

In claim 3, exactly what structure is the term, "means for allowing", referring to? The specification is silent on its definition.

This rejection applies equally to claims 4-7.

In claims 8-12, the names of trademarked trading systems must be capitalized. (While use of trademarks is permissible in patent applications, the trademark must be distinguished from common descriptive nouns by capitalization). See M.P.E.P. 608.01(v).

In claim 13, exactly what additional structural feature of the system is Applicant seeking to claim by the phrase, "... wherein all spot and all derivatives currencies can be traded over the system"?

In claims 14, 22 and 23, exactly what is being claimed in the preamble phrase, "A principal market maker/rolling spot link"? A market maker (which is a quoter)? Or a link? Also, exactly what structure(s) is/are the terms, "means for receiving a primary currency purchase order" and "means for receiving a secondary currency purchase order", referring to? The phrase, "... the bi-

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directional communications link to facilitate ...”, is vague, because it does not positively recite any structural feature of the link.

Claims 15 and 16 are confusing, because it is not clear precisely what two structures are being linked. What structure is the rolling spot future trade systems being linked to?

In claim 25, the term, “the clearing system”, lacks positive antecedent basis.

In claims 28-32, the term, “the link”, lacks positive antecedent basis.

***Claim Rejections - 35 USC § 101***

8. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

9. Claims 34-51 are rejected under 35 U.S.C. 101, because they fail to recite statutory subject matter.

A review of the disclosure does not show a practical application within the technological arts. The claims are directed to a method for trading currencies.

An evaluation of these process steps does not show that the process performs independent physical acts. The process steps of “receiving and transiting [sic] bids”, “storing the received bids”, or even “executing the matching bids and offers”, are not sufficient to meet the requirements of physical acts, because they are firmly rooted in the abstract idea of physically trading currencies. Moreover, none of these process claims affirmatively recite physical

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transformations occurring within a computer, as the steps are performed manually. In this regard, the claims merely manipulate an abstract idea without any limitation to a practical application within the technological arts.

***Claim Rejections - 35 USC § 102***

10. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office Action:

A person shall be entitled to a patent unless --

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

11. Claims 1-7, 13, 24, 25, 33 and 49-51 are rejected under 35 U.S.C. 102(b) as being anticipated by U. S. Patent No. 4,677,552, (hereinafter "Sibley '552").

Sibley '552 discloses the invention as claimed, including a system for trading currencies, where the system comprises:

[1] an electronic brokerage and trading network 12, see Figure 3, having at least one computer, display terminal and input. Each element of the electronic brokerage and trading network 12 is coupled to receive/transmit bids and offers for trading currency;

[2] a principal market maker computer 10, see Figure 2, coupled to the electronic brokerage and trading network 12. Principal market maker computer 10 is operative to receive/transmit bids/offers and execute currency trades by maintaining a bid and offer market for such currencies;



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[3] a clearing facility 14 for processing currency trades executed by principal market maker computer 10;

[4] allowing means 16 for allowing: (a) forward spread trades; (b) forward outright trades; (c) currency swaps; (d) odd value and odd date trades; and (e) covered interest rate arbitrage.

12. Claims 14-51 are rejected under 35 U.S.C. 102(b) as being anticipated by U. S. Patent No. 5,168,446, (hereinafter "Wiseman '446").

Wiseman '446 discloses the invention as claimed, including a trading link comprising:

[1] receiving means 100, see Figure 1, for receiving a primary currency purchase order, which is indicative of whether a currency is to be bought or sold;

[2] receiving means 102 for receiving a secondary currency purchase order, which is indicative of a currency option hedge;

[3] a principal market maker futures computer 112, see Figure 3, coupled to receiving means 100. Computer 112 is operative to execute primary currency purchase orders. The Examiner is interpreting that a primary trader, who executes primary currency purchase orders, also maintains a currency futures bid and offer market, by nature of the trader's primary status;

[4] a principal market maker options computer 111 coupled to receiving means 102. Computer 111 is operative to execute secondary currency purchase orders. The Examiner is interpreting that a secondary trader, who executes secondary currency purchase orders, also maintains a currency options bid and offer market, by nature of the trader's secondary status; and

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[5] a bi-directional communications link, see Figure 3, (not designated by reference number), which is coupled between futures and options computers 112, 111, and which facilitates intermarket trading, which results in risk management from a trade in either market;

[6] a communications interface 90, 92, see Figure 1, operative to transmit currency bids and offers from at least one financial institution; see col. 2, line 22;

[7] a clearing facility, which is the Spot Trading Program, (STP), coupled to a principal market maker computer 112, 111. STP is operative to confirm and settle trades executed by computer 112, 111.

Operation of the electronic trading link system in Wiseman '446 discloses the method steps of:

- [1] receiving a primary currency purchase order;
- [2] receiving a secondary currency purchase order;
- [3] matching and executing the primary currency purchase order;
- [4] matching and executing the secondary currency purchase order; and
- [5] providing intermarket futures and options trading.

### ***Claim Rejections - 35 USC § 103***

13. The following is a quotation of 35 U.S.C. 103(a), which forms the basis for all obviousness rejections set forth in this Office Action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are

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such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

14. Claims 8-12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sibley '552.

Sibley '552 discloses the invention substantially as claimed, except for a network that includes a Project A, Globex or Rueters trading system.

However, the use of financial information retrieval systems, such as a Minex, EBS, Rueters, Globex or Project A, for transacting trades of commodities, are so well known that such use is generally recognized as routine knowledge to a skilled artisan. See also Applicant's Admitted Prior Art, page 8.

Thus, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the system of Sibley '552 with network connections to the above-mentioned trading systems, in order to facilitate automatic processing transactions between commodity traders.

### ***Conclusion***

15. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Kalmus et al., Morita et al., Richards, Lupien et al., Ordish, Earle, Hartheimer et al., Rosen and Aharoni, are cited to show related systems.

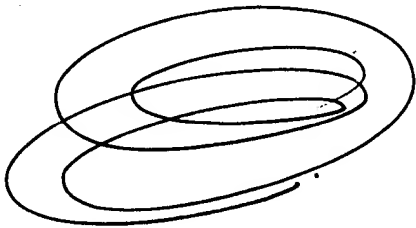
16. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Elizabeth Stanley, whose telephone number is (703) 308-8786. The

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Examiner can normally be reached during Monday through Thursday only, from 8:30 a.m. to 4:30 p.m., Eastern Standard Time.


If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Allen MacDonald, can be reached on (703) 305-9708. The fax phone number for this Group is (703) 305-3978.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group Receptionist, whose telephone number is (703) 305-3900.

A handwritten signature consisting of several overlapping loops, likely representing the name Elizabeth Stanley.

Elizabeth Stanley, Esq.

February 10, 1998

A handwritten signature consisting of a single, fluid, wavy line.

ALLEN R. MACDONALD  
SUPERVISORY PATENT EXAMINER